

# EXHIBIT A



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## Warner Music wants unprotected albums off Web site

Thu Apr 12, 2007 8:48PM EDT

By Yinka Adegoke

NEW YORK (Reuters) - Warner Music Group on Thursday demanded that online retailer AnywhereCD remove its digital albums from the site, saying the start-up had violated their agreement by selling Warner's music without copy protection software.

But the fourth-largest music company appeared to make a concession to calls for music without copy restrictions, known as DRM, by saying it was acceptable for AnywhereCD to help fans rip CDs into the popular MP3 format.

Copy protection has been a contentious issue in the music industry, with critics saying DRM restricts the growth of digital music, but supporters saying it helps curb piracy.

The No. 3 record company, EMI Group, recently announced it will start selling its music without protection in an agreement with Apple Inc. and other online retailers.

Warner stopped short of following in their footsteps, but it did say AnywhereCD can offer a service to let CD buyers rip their albums into MP3 files.

What Warner takes issue with is AnywhereCD selling unprotected albums directly to buyers without a license.

The San Diego-based online retailer opened shop on Thursday and sells CD albums of popular Warner artists like Prince and Madonna.

It sells MP3 albums at a discount to physical CDs. For example, Red Hot Chili Peppers' double CD album "Stadium Arcadium" is available for \$17.95 in CD format on the site, but costs \$14.95 in only MP3 format.

Warner said AnywhereCD is selling its music in a manner that "flagrantly violates" their agreement.

"Accordingly, we have sent them a notice of termination and they are required to immediately remove all of our content from their site," Warner said in a statement.

Warner Music Chief Executive Edgar Bronfman told investors in February that selling digital music without protection was not logical.

"There is no reason to conclude that music is the one content category that should not or cannot be protected, simply because there is an unprotected legacy product available in the physical world," he said.

AnywhereCD founder Michael Robertson, who founded MP3.com in the late 1990s, told Reuters he would not comment on any specific agreement with any record company.

He said the company charges more for CDs because of postage costs. He said a discount is available if people want to buy the album but do not want the physical CD sent to them.

Robertson said AnywhereCD would give a boost to the music industry by supporting album sales which have struggled as consumers have moved to the digital format and cherry-picked favorite songs from digital retailers such as Apple's iTunes.

"My thinking was we should give consumers a reason to buy an album," he said. "If you buy the album then I'll give MP3 tracks pretty much what you get with CDs anyway."

Although the site features plenty of artists' albums, most of the best known names appeared to be Warner-signed or Warner-distributed acts. Robertson declined to give details of current or potential deals with other labels.

Robertson founded MP3.com in 1997 as a digital music locker service for fans but the company ran into copyright violation lawsuits from the music companies because it did not have licenses to offer the service.

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# EXHIBIT B

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## WMG Issues Termination Notice To DRM-Free Service

### April 12, 2007 - Digital and Mobile

By Antony Bruno, Denver

Warner Music Group has sent a notice of termination to the recently launched DRM-free music service AnywhereCD.

The service, which was formed by Michael Robertson, founder of the original MP3.com, is stocked with music from a variety of labels including ones under the Warner Music Group umbrella, as well as several indie labels like SubPop and Roadrunner Records.

"AnywhereCD is selling Warner Music Group content in a manner that flagrantly violates the terms of our agreement," says a WMG representative. "Accordingly, we have sent them a notice of termination and they are required to immediately remove all of our content from their site."

The service sells full albums only, not individual tracks. Once purchased, the album is stored in an online digital locker, from which buyers can download their music. Those buying digital albums from the service can also receive the physical CD in the mail for a slightly higher price.

The company would not discuss the terms of its licensing deals.

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